

# Staff Summary Report



Council Meeting Date: 8/18/2011

Agenda Item Number: 5A6

**SUBJECT:** Request adoption of a Notice of Intention setting the time (7:30 p.m.) and date (September 22, 2011) for the public hearing to modify wastewater rates.

**DOCUMENT NAME:** 20110818 wudph02 MISCELLANEOUS FEES (0210-05)

**COMMENTS:** Notice of Intention to Modify Utility Fees - WASTEWATER RATES

**PREPARED BY:** Patty Hatvick, Planning & Research Analyst (x2625)

**REVIEWED BY:** Don Hawkes, Deputy PW Manager Water Utilities (x2660)  
Ken Jones, FIT Manager (x8504)

**LEGAL REVIEW BY:** Chuck Cahoy, Assistant City Attorney (x2382)

**DEPARTMENT REVIEW BY:** Don Bessler, Public Works Director (x8205)

**FISCAL NOTE:** N/A

**RECOMMENDATION:** Adopt the Notice of Intention setting the time (7:30 p.m.) and the date (September 22, 2011) for the public hearing to modify wastewater rates. The effective date for the rate increases would be for billed charges starting November 1, 2011.

**ADDITIONAL INFO:** The recommended adjustments are necessary to ensure the wastewater operations maintain full recovery of operating costs, financing of capital projects, and maintenance of the unreserved fund balance.

Staff recommends wastewater rate adjustments across all classes of customers (residential, commercial, etc). The impact to a median residential customer's monthly bill is approximately 7% (or \$1.20) for billed charges beginning November 1, 2011.

Pursuant to A.R.S. 9-511.01, a copy of the rate change report must be filed with the City Clerk and a Notice of Intention must be adopted at least 30 days prior to a public hearing. The Notice of Intention must be published at least 20 days prior to the public hearing. After holding the public hearing, the council may adopt the rate change.

In order to proceed with these utility rate modifications, the City must first adopt a Notice of Intention and then conduct a public hearing. Attached is the notice setting the time and date of the public hearing (September 22, 2011).

The combined total increase of the proposed water and wastewater adjustments for a typical residential customer is approximately 8.7% (or \$3.72). These water and wastewater rate adjustments do not alter Tempe's standing as one of the low-cost utility service providers compared to the seven largest cities in the Valley.